

**Introduced by Senator Sher**

February 21, 2003

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An act to add Section 454.6 to the Public Utilities Code, relating to public utilities.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 944, as introduced, Sher. Rates: cost recovery: advocacy account.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including rates. Existing law requires the commission to authorize public utilities to record certain costs in catastrophic event memorandum accounts and, under that law, the costs recorded in those accounts are recoverable in rates following a request by the affected utility, a commission finding of their reasonableness, and approval by the commission.

This bill would require the commission to require each public utility to establish a separate regulatory, legislative, and judicial advocacy account and to record in that account all costs that the public utility presently includes, or intends to include, in its revenue requirement for rate recovery related to appearing at, or participating in, certain governmental proceedings. Under the bill, the costs recorded in the account would be recoverable in rates following a separate request by application by the affected utility filed no more than once in every 3 years and, to the extent possible, in coordination with its general rate proceeding. The bill would require the commission to make findings with regard to the reasonableness of those costs. Because a violation of a rule or order of the commission is a crime, this bill, by requiring the commission to impose a new requirement on public utilities, would



expand the definition of a crime, thereby imposing a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 454.6 is added to the Public Utilities  
2 Code, to read:  
3 454.6. (a) Notwithstanding the existence, or prior  
4 commission approval, of any account used for the purpose of  
5 recording and recovering administrative and general expenses  
6 through rates, the commission shall require each public utility to  
7 establish a separate regulatory, legislative, and judicial advocacy  
8 account and to record in that account all costs that the public utility  
9 presently includes, or intends to include, in its revenue  
10 requirement for rate recovery related to appearing at, or  
11 participating in, proceedings of any of the following:  
12 (1) The commission and all other commissions and local  
13 agencies.  
14 (2) The Supreme Court, a court of appeal, or a superior court.  
15 (3) The Legislature or an entity in the executive branch.  
16 (4) Any entity of the executive, judicial, or legislative branches  
17 of other states or the government of the United States.  
18 (b) The costs of “appearing at, or participating in” proceedings  
19 as described in subdivision (a) shall include, but are not limited to,  
20 all salaries, bonuses, consulting fees, office supplies and expenses,  
21 and commission regulatory expenses, including any out-of-pocket  
22 or travel expenses, related to all participation including, but not  
23 limited to, attendance, argument, and testimony at hearings and  
24 meetings and document drafting and filing.  
25 (c) The costs recorded in the account described in subdivision  
26 (a) shall be recoverable in rates following a separate request by  
27 application by the affected utility filed no more than once in every

1 three years and, to the extent possible, in coordination with its  
2 general rate proceeding. The commission shall make findings with  
3 regard to the reasonableness of those costs.

4 SEC. 2. No reimbursement is required by this act pursuant to  
5 Section 6 of Article XIII B of the California Constitution because  
6 the only costs that may be incurred by a local agency or school  
7 district will be incurred because this act creates a new crime or  
8 infraction, eliminates a crime or infraction, or changes the penalty  
9 for a crime or infraction, within the meaning of Section 17556 of  
10 the Government Code, or changes the definition of a crime within  
11 the meaning of Section 6 of Article XIII B of the California  
12 Constitution.

